

THE TIMES

The confusion that still exists over abortion, page 7

Tory and Labour leaders face party rifts on Healey plan

Mr Wilson and Mrs Thatcher still face the prospect of serious splits in their respective parties over the Chancellor's forthcoming anti-inflation measures, despite a tough speech last night by Mr Healey to the Parliamentary Labour Party [Report, page 2]. However, the Government and the TUC seem nearer agreement on a voluntary pay policy, based on

£6 flat-rate rises for all, after a further meeting between the two sides. The TUC was relieved that the Yorkshire miners' demand for £100 a week for face workers was toned down at the union's conference to a more general formula. As part of Mr Healey's measures, the Government is preparing a contingency plan for direct control of some food prices [Report, page 2].

Thatcher aides may reject statutory policy

By David Wood
Political Editor

While the Chancellor of the Exchequer last night tried to carry the Parliamentary Labour Party in accepting a new statutorily enforceable incomes policy, Mrs Thatcher and the Shadow Cabinet were being forced to reckon with the probability that the Conservative rank and file would split seriously on any three-line whip to support Mr Healey's measures.

Much hinges on what the Chancellor's White Paper proposes after it has taken into account any compromises with the TUC General Council, which meets today and any threats of resignation that may be made when the Cabinet meets tomorrow morning to approve the draft document.

Both Mr Wilson, as Prime Minister, and Mrs Thatcher, as Opposition leader, have serious problems of party management. Within the Cabinet there is a strong group backing reserve powers for a statutory incomes policy. It includes not only Mr Healey, who on July 1 took the Cabinet by the scruff of the neck and insisted on an immediate Commons statement to reassure oil money in London on seven days' notice, but also Mr Jenkins, Home Secretary and former Chancellor, Mr Crosland, Secretary of State for the Environment, Mr Lever, Chancellor of the Duchy of Lancaster, and Mrs Williams, Secretary of State for Prices and Consumer Protection.

With the support of Mr Wilson and Mr Callaghan, the Foreign Secretary, that group has enough authority to swing a conclusive majority within the Cabinet. But clearly Mr Wilson will be anxious to avoid any possibility of resignation by Mr Foot, Secretary of State for Employment, who continues to stand by voluntarism, Mr Wedgwood Benn, Secretary of State for Energy, who will not easily give up his challenge to Mr Wilson's leadership, and Mrs Castle, Secretary of State for Social Services, who cannot forget that she was forced to abandon her own version of incomes policy, *In Place of Strife*.

Mr Wilson and Mr Healey also have to calculate how far they can carry the Parliamentary Labour Party in yet another U-turn on incomes policy. The Labour left wing, as represented by the *Tribune* group with theoretically more than 80 members, may certainly be expected to produce between a dozen and a score of votes against any form of statutory incomes policy.

For her part, Mrs Thatcher knows that inside the Shadow Cabinet and within her parliamentary rank and file there is a minority that opposes any form of statutory incomes policy and that insists on monetarism and free market forces as the only realistic way of curbing inflation.

It happens, of course, that some of Mrs Thatcher's most ardent supporters in her challenge for the leadership were

members of that minority, and she cannot lightly dismiss their point of view.

On the evidence at Westminster yesterday there is little likelihood that Mrs Thatcher and the Shadow Cabinet could carry a united Opposition into support of the Government's counter-inflationary measures as they were sketched by the Chancellor of the Exchequer on July 1.

The question therefore arises how an opposition that has demanded action by the Government can be made to appear credible, or plausible, if a sizable block of backbenchers vote against government measures or abstain when the Commons debate takes place towards the end of next week.

No doubt the split within the Shadow Cabinet could be papered over, either by the form of words used in frontbench speeches or by a reasoned amendment to the government motion to approve the White Paper, but the differences within the rank and file could not be smothered or glossed over.

Much as Mr Wilson and Mr Healey are needing time to convert the trade unions and the PLP to a statutory policy, so Mrs Thatcher will need time to reach a settlement within the Shadow Cabinet and the 1922 Committee.

That invests with importance the timing of the White Paper. In the Commons yesterday, Mr Short, Leader of the House, deputizing for Mr Wilson, would not commit himself to a publication date. Nevertheless

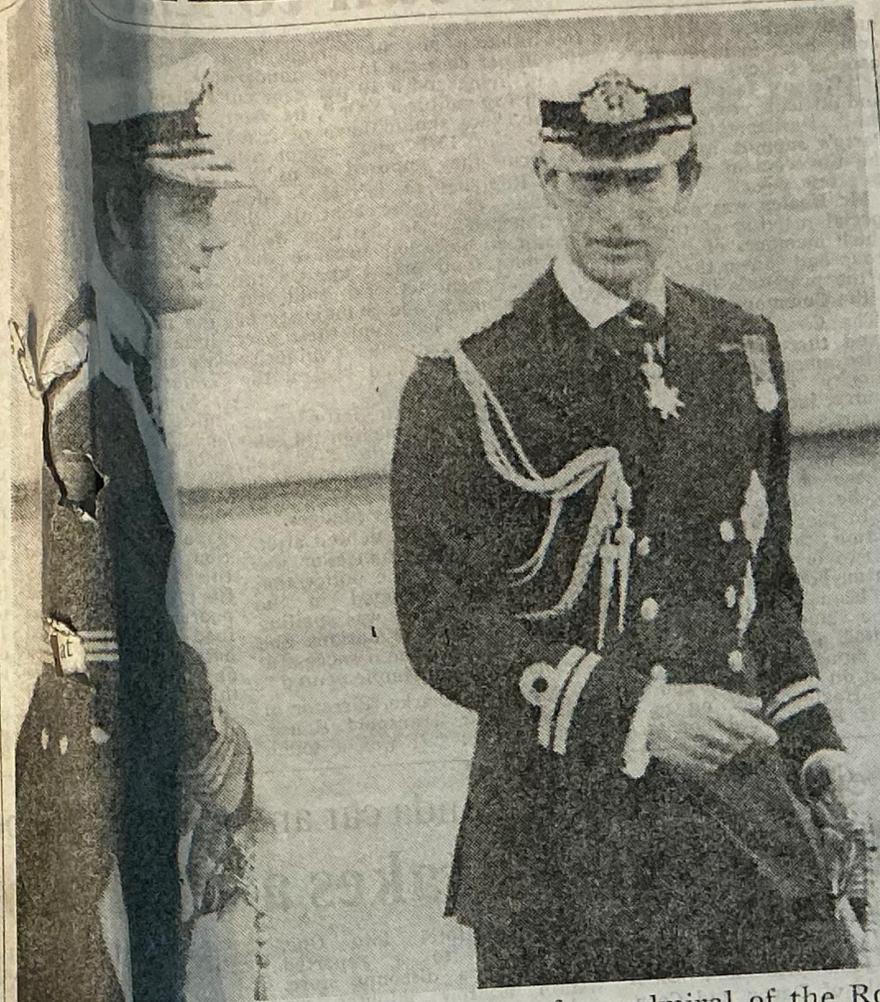
it is being taken for granted that, after the General Council of the TUC has met today, the Cabinet will be asked to approve the draft Treasury document on Thursday morning. Publication would then be on Friday, apparently with a press conference for the Chancellor to present his case.

On that timetable it is difficult to see how Mrs Thatcher and the Shadow Cabinet could hope to compose, or minimize, Opposition differences until early next week, and settle on a firm line.

In the Commons yesterday Mr Short notably emphasized that the Government hoped still "to reach agreement on a voluntary policy with the unions and the CBI over the next few days", although he did not explain how that squared with Mr Healey's assertion that any voluntary policy must be backed by reserve powers for enforcement.

Mr Eric Heffer, who was dismissed as Minister of State in the Department of Industry over the EEC referendum, protested that a statutory wages policy "could tear this movement of ours to pieces", and urged the Prime Minister and Mr Short to think again.

Mr Short answered: "There must be a battery of measures to combat inflation. The greatest danger facing the country, the people, and their employment prospects is inflation, and that must be tackled without delay." He added that "the Government are resolutely opposed to imposing criminal sanctions on working people."



King Carl Gustaf of Sweden in the uniform of an admiral of the Royal Navy being welcomed by the Prince of Wales at Edinburgh yesterday at the start of his state visit. Court Circular, page 16.

Paris judge kidnaped at gunpoint in court

From Richard... Paris, July 8
Less than a week after a French investigating magistrate was ambushed and killed by gangsters, a 31-year-old Parisian with a long criminal record today staged the kidnapping of the judge who was about to try him in the Paris Courts of Justice. The kidnapper escaped with the judge handcuffed in a car.

Judge Andre Corvete, the 60-year-old President of the Court, was later found, together with another court official, handcuffed to the abandoned car on the outskirts of Paris. But M. Rene Guillaume, the police commandant, who tried to stop the kidnapping, was severely wounded in the stomach by a Charles Willot... who fired...

Final Callaghan plea to save Mr Hills

From David Spanier
Diplomatic Correspondent
Kinshasa, July 8

Mr Callaghan, the Foreign Secretary, his Deputy Under Secretary in Charge of Africa at the Foreign Office, the head of the East Africa Department, his political and press advisers, were in Kinshasa today, all hoping to secure the release from prison of one British subject, Mr Denis Hills, 1,000 miles away in Kampala, Uganda.

Mr Callaghan, who began his visit this evening with a talk with M. Bula, the Zairean Foreign Minister, will meet President Mobutu over breakfast tomorrow to hear his views and enlist his support.

President Mobutu holds the key to the release of Mr Hills, because General Amin has entrusted him with the whole affair. The crucial statement by General Amin a week ago was: "Leave everything to President..."

between Kinshasa and Kampala lies a deeper African concern, namely the forthcoming meeting of the Organization of African Unity in Kampala.

If General Amin should decide to act harshly towards Mr Hills, after all that has been said in Mr Hills's favour by African governments, it would offend many of the leaders who are to attend the OAU meeting, perhaps seriously, and might provoke direct criticism of Uganda.

In a sense, therefore, the fate of Mr Hills has been overlaid by African politics, in which the position of General Amin as the host and new chairman of the OAU has become highly sensitive. General Amin's position as chairman now seems to be accepted by African governments, but he is presumably well aware of their concern.

The visit by Mr Callaghan to Kampala, if it works out, could...

Revolting colonials seek British forgiveness

By Louis Heren

The attempt to rehabilitate the memory of Benedict Arnold, the alleged American Revolutionary War traitor, reported in *The Times* last week, was apparently just the tip of a counter-revolutionary iceberg. The latest news from the rebellious colonies is the establishment of the Committee for Reunion with England.

The committee regards the 200th anniversary of the Declaration of Independence with dismay, and has issued its Declaration of Reunion with England. It calls for the immediate petitioning of the Queen and Parliament for forgiveness.

In words that may not have thrilled Thomas Jefferson, the reunionists declare that 200 years of crises are the inevitable festering of a grievous mistake: the American Revolution. Corruption in high places, the putrescence of American political institutions, and the decay of the country's moral fibre originated in the self-serving and the extremist acts of the hot-headed, rebellious founding fathers, they say.

The corruption, violence and injustice could have been avoided if the radicals had been patient enough to work within the British system. The slave trade was abolished in the British Empire in 1807, "two score and 16 years" before the Emancipation Proclamation, they add. There would have been no Civil War, no Reconstruction period, no Ku-Klux-Klan.

"World Wars I and II would never have occurred. Germany would never dare attack a British Empire that included both sides of the Atlantic Ocean. The American Revolution not only betrayed America, but also Mother England, nay the entire civilized world..."

"For 200 years we have been deceived and bullied into believing that violent, hot-headed men like Patrick Henry, George Washington and Thomas Jefferson were heroes, but the real heroes of that period were the American Loyalists, the Tories who could see what terrible things the Revolution would cause..."

"Mother England is kind and just. If we apologize now and promise not to rebel any more, she will go easy on us. Amnesty will be offered to rebel leaders and the officials of this..."

TUC and Cabinet draw closer on £6-rise plan

By David Young
Business News Staff

air of optimism after the decision by the National Union of...

Pit militants accept pay plan compromise

From Paul Routledge
Labour Editor

The vague wording of the resolution reflects the difficulty experienced during four days...

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"Mother England is kind and just. If we apologize now and promise not to rebel any more, she will go easy on us. Amnesty will be offered to the rebel leaders and the present officials of this rebel government . . .

"America cannot afford to continue in this state of rebellion any longer. If you love your country and would have it return to the bountiful bosom of Mother England . . . hereupon the Empire would be whole once more and we could regain our former pre-eminence, you will support our cause . . .

"For those who have long held similar views in secret there is finally a refuge. Together we can achieve the single solution to America's overwhelming problems: reunion with England.

"God Save the Queen".

Contributions are requested, and should be sent to the committee's headquarters at 16 East Main Street, Richmond, Virginia 23219. Presumably sinking pounds will be accepted, although they may suggest that reunion is not such a good idea after all.